

**H.B. 843 Kentucky Commission on Services and Supports for Individuals
With Mental Illness, Alcohol and Other Drug Abuse Disorders, and Dual Diagnosis
May 25, 2006
Capitol Room 327
Frankfort, Kentucky**

Commission Members Present: Representative Mary Lou Marzian, Secretary Mark Birdwhistell, John Burt, John Rees, Michael Cornwall, Senator Dan Kelly, Wanda Bolze, Bernie Block, Bill Cooper, Sara Wilding, Connie Payne, Beth Smith, Bill Heffron, Tom Emberton, Maureen Fitzgerald, Angela Cordery, Ken Schwendeman and Mike Townsend.

WELCOME

- Co-Chair Representative Marzian called the meeting to order and made brief introductory remarks.
- Representative Marzian welcomed everyone to the HB 843 Commission meeting and thanked them for their advocacy efforts during the legislative session. She also thanked the Regional Planning Councils for their presentations at the January 9th and 10th meetings.
- Commission members introduced themselves and what agencies they were representing.
- Secretary Birdwhistell asked for a motion to approve the minutes from the January 2006 meeting. Connie Payne made the motion and Ken Schwendeman seconded; Commission members approved.

NAMI Report Card: Grading the States

Jim Dailey – NAMI Ky

Jim Dailey gave an update on the national report that NAMI compiled which rated states and how effectively they deal with Mental Illness. Kentucky was one of eight states that received an “F” as an overall grade.

A key component of why Kentucky received a failing grade was due to funding. Jim thanked the legislators for allocating new money during this year’s budget session for Crisis Stabilization services. The main source of information used to compile the NAMI report was the review of federal block grant applications and responses from state Departments of Mental Health.

Kentucky is currently rated 42nd in per capita spending for serious mental illness. Jim compared the Kentucky report to the South Carolina report because the per capita income is almost identical to Kentucky, and their overall population is quite similar. Five years ago, it was determined that Kentucky would need to increase spending by \$25M a year for the next ten years in order to raise Kentucky from their current national ranking of 42nd to a national ranking of 25th.

South Carolina spent \$276M in a fiscal year ‘06; this was \$66M more than was spent in Kentucky. South Carolina received a B- as an overall grade for the NAMI report, which is due in part to their increased spending on mental health services.

Jim stated that as a result of the report, Commissioner Burt has agreed to meet with NAMI-KY representatives bi-monthly to discuss programs that could be implemented and/or improved in Kentucky in order to move Kentucky forward. The next report will be issued in 2008 and NAMI-KY is determined to raise the grade. Secretary Birdwhistell has also invited NAMI to the table to assist in solving these issues across the state.

Jim thanked Bernie Block for advocating and securing \$1M dollars for mental health services in the form of an additional crisis stabilization unit in Jefferson County. NAMI is going to continue to monitor mental health services in Kentucky and is determined to see services improve and expand. Maureen Fitzgerald asked Jim to discuss the family and consumer survey that was completed and used to compile the report. Jim gave an overview of the questions asked on the survey and how they were graded. The survey consisted of 10 questions which revolved primarily around access to services. After the survey results were compiled, Kentucky received a passing grade on only two out of the ten questions, which had a dramatic impact on the overall low grade.

Representative Marzian wanted to know why Kentucky received a grade of zero regarding restrictions on antipsychotic medications. Jim responded that currently there are some forms of antipsychotic medications that are not widely available and that access to those medications needs to improve. NAMI national was not in favor of the monthly limits the 1115 Waiver placed on prescriptions (4 per month). This was viewed as restricting access. Jim also said that not all of the deficiencies were due to limited funding. There are programmatic issues that need to be improved as well.

Secretary Birdwhistell stated that he and the Governor were very disturbed that Kentucky received an "F" on the NAMI report card. They did not feel that Kentucky deserved a failing grade overall. There is obviously a need for improvement and this can be turned into an opportunity to improve services. The Cabinet is committed to collaborating with the advocates in improving the system.

Funding and Budget Update

Rob Edwards – CHFS CFO and Legislative Liaison

The executive branch budget became HB 380 and the best news is that it was the first time in the last two budget sessions that a budget was passed in a timely manner. The executive branch budget recommended an increase for MHMR services in two areas. One increase is a dollar for dollar increase in general funds, \$12.1 million in 2007 and \$18.5 million in 2008 to address needs in the state psychiatric hospitals. In addition, personnel costs including health insurance and pensions were funded in full for the Cabinet of Health and Family Services.

The Crisis Stabilization Units received an appropriation of \$3 million in 2007 and a little over \$3 million in 2008. This money was specifically for the Community Mental Health Center's (CMHC's) to increase the availability of crisis stabilization services across the state. Additional increases in the budget related to Mental Health and Substance Abuse were \$1 million over two years for the Wellspring/David Block Crisis Stabilization unit in Jefferson County.

The total appropriation for the first year is \$185 million in general funds and \$483 million in total funds.

Secretary Birdwhistell stated that the increase in funding did not happen in a vacuum. While it might not be the amount sought, it is much better than how other departments fared during this budget session. This can be attributed to the legislative leaders we have serving on the Commission and others who participate regularly with the Commission. Secretary Birdwhistell said he was pleased with the progress made and the task is to make sure the money is used to help as many individuals as possible.

Representative Marzian echoed Secretary Birdwhistell's sentiments and thanked Bernie Block for the role he played in securing the additional funding for Crisis Stabilization.

Secretary Birdwhistell announced the departure of Shannon Turner as Commissioner for Medicaid Services and thanked her for the contributions she made in securing the future of Medicaid.

Medicaid Update

Debbie Anderson

Debbie Anderson gave an update of the changes occurring to Medicaid. Initially, all of the Medicaid changes were pursued as an 1115 Waiver. In February 2006, the President signed into law the Deficit Reduction Act (DRA) which eliminated the need to pursue an 1115 Waiver. The DRA allows greater flexibility in the Medicaid system without putting a cap on the funding. The state plan can now be amended to accommodate most of the changes, rather than pursuing the 1115 “super waiver”.

Ky Health Choices is the new plan for Medicaid Services. Key components of Ky Health Choices are:

- Global Choices – General Medicaid population, including those with mental illness;
- Family Choices – KCHIP Kids and Healthy Children;
- Comprehensive Choices – ABI Waiver and HCBS Waiver (1915c Waivers);
- Optimum Choices – ICF/MR population (1115 Waiver);
- CMHC Capitation – 1915b Waiver.

Debbie also said that Medicaid is pursuing some waivers to better serve specific populations if those services can not be changed under the DRA. In addition, the CMHC’s are going to a capitated system in order to build a more integrated system of care with regional flexibility of services. Funding will be calculated based on previous Medicaid paid claims, and will increase from year to year to adjust for increases in eligibility and inflationary trending. This capitated system will offer each region more flexibility in the services they provide and they will define the services to fit their regional needs. Implementation of a capitated system needs to be pursued under a 1915b waiver and the Cabinet is in the process of writing the waiver. Currently, the CMHC’s are submitting brief plans outlining what regional services they will provide under their Medicaid contract.

Bernie Block asked whether the CMHC’s needed approval before this system would go into effect. Debbie stated that the 1915b waiver had to be approved by CMS and the plans submitted by the regional centers need to be approved by Medicaid and by Department of Mental Health & Mental Retardation.

Wanda Bolze asked whether the plans submitted by the CMHC’s were set in stone or could be revised once the plans are approved. Debbie stated that the Cabinet anticipates within the first few years, these plans will change and contract amendments will be ongoing. There are several issues that still need to be determined: monitoring; evaluations; performance indicators and others. These will be decided upon at a later date.

Mike Townsend asked how these changes will affect providing services for co-occurring disorders. Debbie stated that because the capitated system offers more flexibility, the plans submitted by many of the CMHC’s include services and treatment for substance abuse in addition to mental health.

Secretary Birdwhistell commented on the inflexibility of the current Medicaid system and stated that with the new system, there will be much more flexibility on what services are offered. The collaboration between Medicaid and Department of Mental Health & Mental Retardation is critical in modernizing Medicaid.

Murray Wood asked if each region can decide what types of professionals could provide each service and if those credentials could differ among regions. Also, what is the timeframe for a final product after the plans are reviewed and approved? Debbie stated that according to the current plans submitted,

the intent is to permit the type of professionals to vary from region to region. The Cabinet would like to see the new system implemented within a few months, but it will depend on when CMS approves the waiver.

Bernie Block asked Secretary Birdwhistell whether the same flexibility that applies to Medicaid funds will apply to the funding that is received from the Department of Mental Health & Mental Retardation. Secretary Birdwhistell stated that Medicaid and Department of Mental Health & Mental Retardations are working together in determining overall flexibility and how the funds and services will be monitored.

Commissioner Burt responded that under the new capitated system, it has yet to be determined how the monitoring will look. The CMHC's receive approximately \$120 million in Medicaid funding and \$119 million in general funds, some of which are federal grant funds. Details of how Department of Mental Health & Mental Retardation Services will monitor and meet the grant funding requirements has yet to be determined. The department is looking at ways to make the funding as flexible as possible, but still meet the requirements of the grants.

2006 General Assembly MH/SA Legislative Review

Rob Edwards

Rob Edwards stated that Kevin Payton who served as the Cabinet's legislative liaison through the session recently left for another position. Rob has taken his place as the Cabinet's legislative liaison.

Listed below are four bills, along with a brief descriptions, that passed during this legislative session and have been signed by the Governor:

- SB 65 – Permits ARNP's to prescribe controlled substances. It allows a 30-day supply of psychostimulants to be prescribed by nurses certified in psychiatric-mental health and employed by KRS 216B facilities and CMHC's.
- HB 67 – Requires state medical examiner to report to the Justice Cabinet deaths with the presence of illegal drugs or poisons in the body, number of deaths caused by illegal drugs, and deaths caused by prescription drugs when history indicates.
- HB 181 – Requires health insurance plans to have exceptions policy for advance drug refills, and to inform pharmacists and consumers.
- HB 572 – Require insurers to give a credit on workers compensation premiums for certified drug-free workplace policies implemented by licensees. Persons certified under KRS Chapter 351 submit to drug and alcohol testing as a condition of certification; exempt drug testing records from Open Records Act; require an appeal procedure.

Representative Marzian said that SB 65 is very important to the Community Mental Health Centers and thanked Sheila Schuster, who recently received national recognition for advocating and securing the successful passage of SB 65 which took several years to finally have enacted into law.

Senator Kelly commented on SB 245 which would require intensive, secure substance abuse treatment programs within the Department of Corrections that would offer pre-trial diversion and permit the jail triage program to begin screening for substance abuse. Senator Kelly thanked Commissioner Rees, Theresa Barton and the Justice Cabinet who were very helpful in drafting the details of this bill. The bill was actually funded in full but unfortunately did not pass in the closing hours of the legislative session. He said that this bill will be introduced again and will hopefully pass during the next session.

Secretary Birdwhistell said that the HB 843 Commission has been instrumental in bringing these issues to the forefront so the bills receive the support that is needed in order for them to be passed during the session.

NASMHPD Site Visit

Steve Shannon and Sheila Schuster

Steve Shannon gave a brief outline of the NASMHPD (National Association of State Mental Health Program Directors) Site Review Systems Mapping Project that will take place at the September meeting. The Department of Mental Health & Mental Retardation has been awarded a Technical Assistance Grant from SAMSHA to address the Psychiatric Emergency Response System in Kentucky.

The systems mapping project is a strategic action that is used to identify and outline a plan to deal with problems associated within the system. When a person with a mental illness ends up in a hospital emergency room, quite often the hospital doesn't have a psychiatric unit or a psychiatrist to see the individual. These are voluntary admissions and it's often difficult to deal with them to make sure they receive the help they need. It has become a more pronounced problem since the closing of so many psychiatric beds across the state. The goal of this project is to develop a plan to provide a timely assessment, stabilization and transportation for voluntary admissions. It should also foster collaboration particularly among the smaller, more rural hospitals, CMHC's and local law enforcement agencies. The goal is to assure that the voluntary patients in crisis receive the supports they need. We would like to take the outcomes of this statewide mapping project out to the regions, so it can be utilized on the local level. This tool will help identify problems in the system and develop a correction plan that can be used at various levels of intervention.

NASMHPD will send a representative to facilitate a one-day retreat, scheduled for September 13, 2006. The participants will assess the current system and identify barriers. The NASMHPD facilitator will return in December to lay out the tool developed, using the input from the retreat and develop a strategic plan to help navigate and overcome the barriers to services.

Senator Kelly commented that the approach of raising Kentucky's ranking from 42nd to 25th had not been successful in obtaining significant increases in funding for MH and SA services in the state. He suggested that those who were advocating for funding model their approach on the successful long-range plan laid out by the University of Kentucky. This includes coming to the table with specific descriptions of why the funding is needed, plans on how the money is going to be used and projections over time of how much money can be saved through implementation. This approach needs to be developed and presented well in advance of the session, rather than waiting until the last minute to try to secure the funding. He commented that without a specific and comprehensive plan, it is often difficult to obtain the necessary consensus to carry into the session.

HB 843 New Member Appointments

Secretary Birdwhistell and Representative Marzian

Representative Marzian gave a brief update on the nomination process for new members to serve on the Commission. Terms for current appointed members (Regional Planning Council Chair, Consumer, and Adult Family Member and their alternates) will expire on June 30, 2006. KARP will submit a list of (5) chairpersons to be considered for the RPC Chair vacated position. KARP will also submit a list of up to (3) names each for the Consumer and Adult Family Member vacancies compiled from recommendations submitted by the Regional Planning Councils. Consumer advocacy organizations operating within the state will be asked to submit a list of up to (3) names for the Consumer vacancy

and Family advocacy organizations will submit a list of up to (3) names for the Family Member vacancy. The letter requesting these nominations will be mailed on Friday, May 26th with a target return date of June 16th.

Bernie Block commented that he has enjoyed serving on the Commission for two terms and plans to stay active in advocating mental health issues. He also thanked Senator Kelly and Representative Marzian for supporting the CSU funding and recognizing the importance and need for enhanced crisis services.

Wanda Bolze stated that she has appreciated the opportunity to work with the Commission members and plans to stay active with the Lake Cumberland Regional Planning Council. Representative Marzian thanked Bernie and Wanda for their dedication to improving mental health and substance abuse services across the state and for actively participating on the Commission.

The HB 843 Commission working retreat is scheduled for September 13 with a follow-up retreat scheduled for December 13, 2006. Both retreats will be held at Berry Hill Mansion in Frankfort; more detailed information will follow.

With no further business, the meeting was adjourned.